

Message Text

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ORIGIN XMB-04

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 OPIC-06 SP-02
LAB-04 SIL-01 OMB-01 /067 R

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XMB:CLAYTON NORRIS
EUR/SE R DELA BARRE

-----141724Z 025721 /44

R 141532Z MAR 77
FM SECSTATE WASHDC
TO AMEMBASSY ANKARA
INFO AMCONSUL ISTANBUL

UNCLAS STATE 056096

E.O. 11652: N/A

TAGS: EFIN, TU

SUBJECT: EXIM FINANCING FOR KARAKAYA HYDROELECTRIC
PROJECT

1. EXIMBANK HAS RECEIVED PC REQUEST FROM WESTINGHOUSE TO ASSIST IN FINANCING ROUGHLY \$35 MILLION IN U.S. COSTS OF SWISS-BELGIAN-U.S. CONSORTIUM PACKAGE FOR KARAKAYA HYDRO-ELECTRIC PROJECT. PACKAGE WOULD INCLUDE 6 X 300 MW HYDRO TURBINES AND GENERATORS, GOVERNORS, EXCITATION EQUIPMENT, AND RELATED EQUIPMENT.

2. FYI WESTINGHOUSE, AS SUPPLIER OF GENERATOR TECHNOLOGY, WOULD COMPLETELY DESIGN THE SIX GENERATORS AND PROBABLY SUPPLY HARDWARE AND EXCITATION EQUIPMENT FOR FOUR GENERATORS, WITH WESTINGHOUSE LICENSEE ACEC OF BELGIUM PROVIDING BALANCE. TOTAL COST OF WESTINGHOUSE COMPONENT ON ERECTED UNCLASSIFIED

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BASIS WOULD RUN \$35-40 MILLION, BUT ASSUMING LARGE TURKISH LABOR CONTENT IN ERECTING, U.S. COSTS WOULD BE LESS. ES-CHERCUYS OF SWITZERLAND WOULD SIMILARLY PROVIDE TURBINE TECHNOLOGY AND EQUIPMENT AND GOVERNORS FOR 4 OF 6 TURBINES. BELGIAN COSTS WOULD BE ABOUT \$40 MILLION AND SWISS COSTS ABOUT \$105 MILLION, FOR TOTAL FOREIGN COSTS OF ROUGHLY \$180. MILLION.

3. FYI BELGIANS ARE SAID TO HAVE FINANCING AVAILABLE. SWISS ARE SAID TO HAVE AVAILABLE TO GOS-GOT FINANCING PROTOCOL WHICH WAS RECENTLY INCREASED FROM SF 200 MILLION (DLRS 82 MILLION) TO SF 450 MILLION (DLRS 184 MILLION). NO INFO AVAILABLE ON TERMS AND CONDITIONS OF EITHER.

4. FYI INCREASE IN SWISS PROTOCOL OPENS UP POSSIBILITY OF SWISS CONSORTIUM LEADER DROPPING WESTINGHOUSE, WHICH HAS NO FINANCING COMMITMENT AT PRESENT, AND BRING OTHER SWISS COMPANIES INTO CONSORTIUM TO PROVIDE GENERATORS. TO KEEP THEMSELVES ALIVE, WESTINGHOUSE BELIEVES IT IMPORTANT TO APPRISE TURKS (DSI AND PARTICULARLY TEK) THAT WESTINGHOUSE HAS APPLIED TO PC AND THAT EXIM IS GIVING ACTIVE CONSIDERATION. (ESTINGHOUSE ALSO BELIEVES WITH POSSIBLE FINANCING COMMITMENTS FOR WHOLE PACKAGE THAT CONSORTIUM HAS CHANCE TO NEGOTIATE THE SALE RATHER THAN HAVE IT TGO TO COMPETITIVE BID).
END FYI.

5. IN LIGHT OF FOREGOING, EMBASSY REQUESTED TO CONTACT DSI AND TEK, AS WELL AS FINANCE MINISTY IF DEEMED ADVISABLE, INFORMING THEM THAT EXIM HAS PC REQUEST UNDER CONSIDERATION WITH THE EXPECTATION OF EARLY ACTION.

6. EMBASSY ALSO REQUESTED TO ASCERTAIN IF POSSIBLE (A) TERMS AND CONDITIONS OF SWISS PROTOCOL AND WHETHER IN FACT AVAILABLE FOR KARAKAYA, (B) TERMS AND CONDITIONS OF BELGIAN FINANCING, AND (C) WHETHER THERE IS ANY ACTIVE COMPETITION ENDEAVORING TO NEGOTIATE A SALE.

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7. WOULD APPRECIATE EMBASSY'S COMMENT ON WHETHER THERE IS A REAL POSSIBILITY OF NEGOTIATED SALE AND ON EXIMBANK SUPPORT FOR THIS TRANSACTION. VANCE

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Message Attributes

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Copy: SINGLE
Sent Date: 14-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
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Drafter: PJS
Enclosure: n/a
Executive Order: N/A
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Format: TEL
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Handling Restrictions: n/a
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Line Count: 101
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